

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2013 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2013 or fiscal plan year beginning <u>01/01/2013</u> and ending <u>12/31/2013</u>	
A This return/report is for:	<input type="checkbox"/> a multiemployer plan; <input type="checkbox"/> a multiple-employer plan; or <input checked="" type="checkbox"/> a single-employer plan; <input type="checkbox"/> a DFE (specify) ____
B This return/report is:	<input type="checkbox"/> the first return/report; <input type="checkbox"/> the final return/report; <input type="checkbox"/> an amended return/report; <input type="checkbox"/> a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	<input type="checkbox"/>
D Check box if filing under:	<input checked="" type="checkbox"/> Form 5558; <input type="checkbox"/> automatic extension; <input type="checkbox"/> the DFVC program; <input type="checkbox"/> special extension (enter description)

Part II	Basic Plan Information —enter all requested information								
1a Name of plan <u>ALCATEL-LUCENT SAVINGS PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>003</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>10/01/1996</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>003</u>	1c Effective date of plan <u>10/01/1996</u>					
1b Three-digit plan number (PN) ▶	<u>003</u>								
1c Effective date of plan <u>10/01/1996</u>									
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>ALCATEL-LUCENT USA INC.</u> <u>600 MOUNTAIN AVENUE, ROOM 2B-410</u> <u>MURRAY HILL, NJ 07974</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">2b Employer Identification Number (EIN) <u>22-3408857</u></td> </tr> <tr> <td colspan="2">2c Sponsor's telephone number <u>908-582-7140</u></td> </tr> <tr> <td colspan="2">2d Business code (see instructions) <u>334200</u></td> </tr> <tr> <td colspan="2" style="height: 40px;"></td> </tr> </table>	2b Employer Identification Number (EIN) <u>22-3408857</u>		2c Sponsor's telephone number <u>908-582-7140</u>		2d Business code (see instructions) <u>334200</u>			
2b Employer Identification Number (EIN) <u>22-3408857</u>									
2c Sponsor's telephone number <u>908-582-7140</u>									
2d Business code (see instructions) <u>334200</u>									

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature. Signature of plan administrator	09/09/2014 Date	ROBIN WARD Enter name of individual signing as plan administrator
SIGN HERE	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor Name <input type="checkbox"/> Same as Plan Sponsor Address		3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name		4b EIN 4c PN
5 Total number of participants at the beginning of the plan year		5 37399
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants		6a 11538
b Retired or separated participants receiving benefits		6b 2578
c Other retired or separated participants entitled to future benefits.....		6c 17899
d Subtotal. Add lines 6a , 6b , and 6c		6d 32015
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits		6e 552
f Total. Add lines 6d and 6e		6f 32567
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g 31908
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested		6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....		7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2G 2J 2K 2R 3F 3H		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
9a Plan funding arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
a Pension Schedules (1) <input checked="" type="checkbox"/> R (Retirement Plan Information) (2) <input type="checkbox"/> MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) <input type="checkbox"/> SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) <input checked="" type="checkbox"/> H (Financial Information) (2) <input type="checkbox"/> I (Financial Information – Small Plan) (3) <input type="checkbox"/> A (Insurance Information) (4) <input checked="" type="checkbox"/> C (Service Provider Information) (5) <input checked="" type="checkbox"/> D (DFE/Participating Plan Information) (6) <input type="checkbox"/> G (Financial Transaction Schedules)

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2013
		This Form is Open to Public Inspection.

For calendar plan year 2013 or fiscal plan year beginning **01/01/2013** and ending **12/31/2013**

A Name of plan ALCATEL-LUCENT SAVINGS PLAN	B Three-digit plan number (PN) ►	003
C Plan sponsor's name as shown on line 2a of Form 5500 ALCATEL-LUCENT USA INC.	D Employer Identification Number (EIN) 22-3408857	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

FINANCIAL ENGINES

77-0473565

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
26 50	NONE	2334754	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

FIDELITY INVEST INSTITUTIONAL OPER

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 33 37 49 50 55 61 62 71 99	NONE	504855	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	0	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

► **File as an attachment to Form 5500.**

OMB No. 1210-0110

2013

This Form is Open to Public Inspection.

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan
ALCATEL-LUCENT SAVINGS PLAN

B Three-digit plan number (PN)	003
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C Plan or DFE sponsor's name as shown on line 2a of Form 5500
ALCATEL-LUCENT USA INC.

D	Employer Identification Number (EIN)
	22-3408857

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: **LUCENT TECH. INC. DC PLAN MASTER TR**

b Name of sponsor of entity listed in (a): **ALCATEL-LUCENT USA INC.**

c EIN-PN 04-6812413-101	d Entity code M	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 6410584000
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2013 This Form is Open to Public Inspection
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For calendar plan year 2013 or fiscal plan year beginning <u>01/01/2013</u> and ending <u>12/31/2013</u>		
A Name of plan <u>ALCATEL-LUCENT SAVINGS PLAN</u>	B Three-digit plan number (PN) ►	<u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>ALCATEL-LUCENT USA INC.</u>	D Employer Identification Number (EIN) <u>22-3408857</u>	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1	Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
	Assets			
a	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)		
	(2) Participant contributions	1b(2)		
	(3) Other	1b(3)		
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
	(2) U.S. Government securities	1c(2)		
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)		
	(B) All other	1c(3)(B)		
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)		
	(B) Common	1c(4)(B)		
	(5) Partnership/joint venture interests	1c(5)		
	(6) Real estate (other than employer real property)	1c(6)		
	(7) Loans (other than to participants)	1c(7)		
	(8) Participant loans	1c(8)	42174000	42920000
	(9) Value of interest in common/collective trusts	1c(9)		
	(10) Value of interest in pooled separate accounts	1c(10)		
	(11) Value of interest in master trust investment accounts	1c(11)	6356170000	6410584000
	(12) Value of interest in 103-12 investment entities	1c(12)		
	(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
	(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
	(15) Other	1c(15)	0	74000

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	6398344000	6453578000

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	6398344000	6453578000
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	67600000	
(B) Participants	2a(1)(B)	159506000	
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		227106000
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	1431000	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		1431000
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		1147467000
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		1376004000

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1318351000	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		1318351000
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	2463000	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		2463000
j Total expenses. Add all expense amounts in column (b) and enter total	2j		1320814000

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		55190000
l Transfers of assets:			
(1) To this plan	2l(1)		74000
(2) From this plan	2l(2)		30000

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unqualified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☐ Yes ☒ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: ERNST & YOUNG LLP

(2) EIN: 34-6565596

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

- a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)
- b** Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
e Was this plan covered by a fidelity bond?	X		10000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	X		
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	X		

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
 If "Yes," enter the amount of any plan assets that reverted to the employer this year. ☐ Yes ☒ No Amount:

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)
LUCENT TECHNOLOGIES INC. LONG TERM SAVINGS AND SECURITY PLAN	22-3408857	004

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☐ Yes ☐ No ☐ Not determined

Part V Trust Information (optional)

6a Name of trust	6b Trust's EIN

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2013 This Form is Open to Public Inspection.
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan <u>ALCATEL-LUCENT SAVINGS PLAN</u>	B Three-digit plan number (PN) ▶ <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>ALCATEL-LUCENT USA INC.</u>	D Employer Identification Number (EIN) <u>22-3408857</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>04-6568107</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	<input type="checkbox"/> Increase	<input type="checkbox"/> Decrease	<input type="checkbox"/> Both	<input type="checkbox"/> No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
11 a Does the ESOP hold any preferred stock?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	<input type="checkbox"/> Yes	<input type="checkbox"/> No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

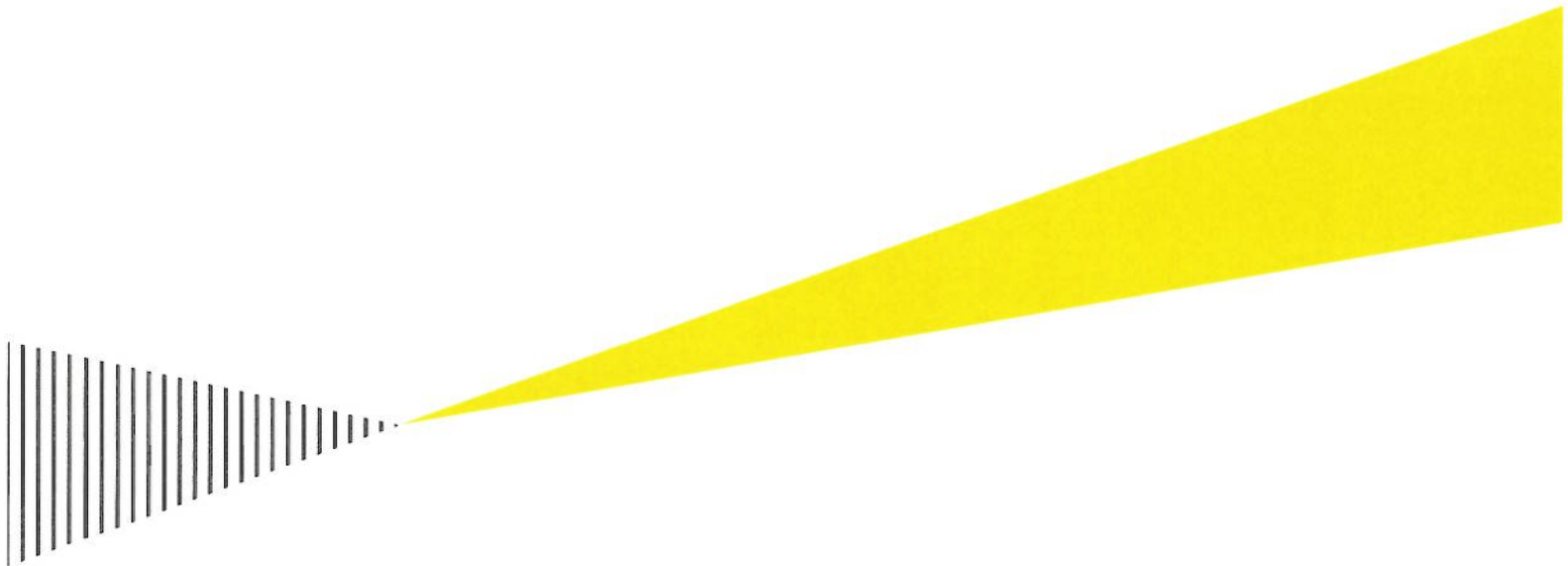
b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

FINANCIAL STATEMENTS AND SUPPLEMENTAL
SCHEDULE

Alcatel-Lucent Savings Plan
December 31, 2013 and 2012 and the Year Ended December 31, 2013
With Report of Independent Auditors

Ernst & Young LLP



Building a better
working world

Alcatel-Lucent Savings Plan

Financial Statements and Supplemental Schedule

December 31, 2013 and 2012 and Year Ended December 31, 2013

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Report of Independent Auditors

The Alcatel-Lucent 401(k) Committee

We have audited the accompanying financial statements of Alcatel-Lucent Savings Plan, which comprise the statements of net assets available for benefits as of December 31, 2013 and 2012, and the related statement of changes in net assets available for benefits for the year ended December 31, 2013, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Alcatel-Lucent Savings Plan at December 31, 2013 and 2012, and the changes in its net assets available for benefits for the year ended December 31, 2013, in conformity with U.S. generally accepted accounting principles.

Supplemental Schedule

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2013 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Ernst & Young LLP

August 15, 2014

Alcatel-Lucent Savings Plan

Statements of Net Assets Available for Benefits

	December 31	
	2013	2012
	<i>(In Thousands)</i>	
Assets		
Investment in Master Trust, at fair value	\$ 6,410,584	\$ 6,356,170
Other investments	74	—
Notes receivable from participants	42,920	42,174
Total assets	<u>6,453,578</u>	<u>6,398,344</u>
Net assets reflecting investments at fair value	6,453,578	6,398,344
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	—	(33,697)
Net assets available for benefits	<u>\$ 6,453,578</u>	<u>\$ 6,364,647</u>

The accompanying notes are an integral part of these financial statements.

Alcatel-Lucent Savings Plan

Statement of Changes in Net Assets Available for Benefits

Year Ended December 31, 2013

(In Thousands)

Additions to net assets attributed to

Contributions

Employee contributions	\$ 159,506
Company contributions, net of forfeitures	67,600
Plan's share of Master Trust investment gain	1,181,164
Interest from notes receivable from participants	1,431
Total additions	<u>1,409,701</u>

Deductions from net assets attributed to

Distributions to participants	1,318,351
Administrative expenses	2,444
Other, net	19
Total deductions	<u>1,320,814</u>

Net increase before transfers 88,887

Transfer from Kindsight, Inc. 401(k) Plan	74
Transfer to Lucent Technologies Inc. Long Term Savings and Security Plan	<u>(30)</u>
Net increase	88,931

Net assets available for benefits

Beginning of year	<u>6,364,647</u>
End of year	<u>\$ 6,453,578</u>

The accompanying notes are an integral part of these financial statements.

Alcatel-Lucent Savings Plan

Notes to Financial Statements

December 31, 2013

1. Plan Description

The following description of the Alcatel-Lucent Savings Plan (the “Plan”) provides only general information. Participants should refer to the Plan document and the Summary Plan Description for a more complete description of the Plan’s provisions.

General

The Plan is a defined contribution plan established as of October 1, 1996 by Lucent Technologies Inc. (now known as Alcatel-Lucent USA Inc.) (the “Company”) to provide a convenient way for eligible management employees, as described in the Plan, to save on a regular and long-term basis. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”). The Plan is an individual account plan that permits participants and beneficiaries to exercise control over the assets in their respective accounts. As such, the Plan is intended to meet the requirements of Section 404(c) of ERISA and the regulations promulgated thereunder. An eligible employee, as described in the Plan, enters the Plan by authorizing a payroll contribution and directing a contribution among the different investment funds of the Plan.

Effective December 31, 2013, the Kindsight, Inc. 401(k) Plan was merged into the Plan. As a result of the merger, assets of \$74,000 were transferred in from the Kindsight, Inc. 401(k) Plan.

Master Trust

The Plan’s assets are held by Bank of New York Mellon (the “BNY Mellon”), as Trustee (the “Trustee”), in the Lucent Technologies Inc. Defined Contribution Plan Master Trust (the “Master Trust”).

Contributions

Employee contributions of 1% to 25% of eligible compensation may be authorized. An employee may designate contributions as pre-tax contributions, after-tax contributions or a combination of pre-tax and after-tax contributions. The Internal Revenue Code (the “Code”) limited the maximum amount of an employee’s contribution on a pre-tax basis to \$17,500 in 2013. Employees who are age 50 or older on or before December 31 may be eligible to make pre-tax contributions beyond the Internal Revenue Service (the “IRS”) pre-tax limit. The catch-up contribution limit set by the IRS was \$5,500 in 2013. A participant who is eligible for and elects

Alcatel-Lucent Savings Plan

Notes to Financial Statements (continued)

1. Plan Description (continued)

to make catch-up contributions may choose to reduce his or her compensation by a specified whole percentage not in excess of 75% (instead of the 25% limit applicable to participants who are not eligible for and who do not elect to make catch-up contributions).

The Company will match 100% of all employee salary deferral contributions made to the Plan up to 6% of eligible compensation per payroll period. Effective January 1, 2014, the Company matching contribution was discontinued.

Prior to January 1, 2014, employees were eligible for Company matching contributions immediately, without regard to time of service. Effective January 1, 2010, employees with at least one hour of service performed on or after January 1, 2010 are 100% vested in their Company matching contributions. Company contributions and related earnings for a terminated participant who was hired and then terminated between October 1, 2007 and December 31, 2009 which were not vested at the time of termination are subject to forfeiture at the earlier of a full distribution or 5 years from the termination. These forfeitures can be used to reduce future Company contributions and, effective January 1, 2014, Plan expenses. At December 31, 2013 and 2012, forfeited amounts totaled approximately \$92,000 and \$1,428,000, respectively, and forfeitures used to reduce Company contributions for 2013 were approximately \$2,623,000.

The Plan permits the Company to designate one or more investment options as the Plan's "qualified default investment alternative" within the meaning of Section 404(c)(5) of the ERISA, as amended, and regulations issued thereunder. The Company designated thirteen "Retirement Date Funds" managed by AllianceBernstein L.P. as the default investment options under the Plan.

Notes Receivable from Participants

Notes receivable from participants represent participant loans that are recorded at their unpaid principal balance plus any accrued but unpaid interest. Participants may have one general loan and one home loan outstanding at a time. Loans are available to participants in an amount up to 50% of their vested account balance, from \$1,000 to \$50,000, subject to certain limitations as defined in the Plan. Upon default, as described in the Plan, participants are considered to have received a distribution and are subject to income taxes on the distributed amount. Also, participants may be subject to an additional 10% penalty tax on their taxable withdrawal if it occurs prior to age 59-1/2. The loans are collateralized by the participant's account balance and generally bear interest at the prime rate at the time the loan was originated. Interest rates on outstanding loans ranged from 3.25% to 10.5% at December 31, 2013 and 2012. Principal and interest are paid through payroll deductions, coupon remittances and electronic fund transfers.

Alcatel-Lucent Savings Plan

Notes to Financial Statements (continued)

1. Plan Description (continued)

Distributions

Participants who separate from service may elect to receive a distribution of their vested account balance. The standard form of distribution is a lump-sum payment in cash. Participants may also elect an unlimited number of partial withdrawals, subject to a minimum withdrawal of \$300.

Prior to June 1, 1993, participants retiring with a so-called service pension or who terminated employment because of disability were eligible to receive their entire vested account balance in a series of regular, systematic installments.

Inactive participants with vested account balances of \$1,000 or less will have their account balances automatically distributed if they do not make affirmative distribution elections. Inactive participants with vested account balances greater than \$1,000 but less than or equal to \$5,000 will have their account balances automatically rolled over into an Individual Retirement Account (IRA) to be established on their behalf if they do not make an affirmative distribution election.

If the participant does not request a distribution and the account balance exceeds \$5,000, the participant's account shall remain in the Plan and shall be distributed only (1) at the participant's request, (2) when the participant attains age 70-1/2 through the payment of Minimum Required Distributions ("MRD"), as described in the Plan, or (3) upon the participant's death, whichever is earliest.

When a participant dies, the entire amount in the participant's account is transferred to an account(s) for the participant's beneficiaries.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting.

Payment of Benefits

Benefits are recorded when paid.

Alcatel-Lucent Savings Plan

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Investment Contracts

As required by U.S. generally accepted accounting principles ("GAAP"), investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. Therefore, the Statements of Net Assets Available for Benefits adjust the fair value of the investment contracts from fair value to contract value.

Valuation of Investments

The Lucent Technologies Inc. Long Term Savings and Security Plan and the Plan each have an interest in the assets of the Master Trust. The Trustee prices the assets in the investment manager portfolios, taking into account values supplied by a reputable pricing or quotation service or quotations furnished by one or more reputable sources, mutual fund administrators or other relevant information. See Note 7 for additional information.

New Accounting Pronouncements

In December 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2011-11, Disclosures about Offsetting Assets and Liabilities (ASU 2011-11), in a joint effort with the International Accounting Standards Board to allow investors to better compare financial statements prepared under US generally accepted accounting principles with financial statements prepared under international financial reporting standards. The amendments require an entity to disclose information about offsetting and related arrangements to enable users of its financial statements to understand the effect of those arrangements on its financial position. ASU 2011-11 requires entities to disclose both gross and net information about financial instruments and derivative instruments that are either (i) offset in the statement of net assets, or (ii) subject to an enforceable master netting arrangement or similar arrangement, irrespective of whether they are offset in the statement of net assets. In addition, ASU 2011-11 requires disclosure of collateral received and posted in connection with master netting agreements or similar arrangements.

Alcatel-Lucent Savings Plan

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

In January of 2013, the FASB issued Accounting Standards Update No. 2013-01, Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities, the amendments clarify that the scope of Update 2011-11 (ASU 2013-01) applies to derivatives accounted for in accordance with Topic 815, Derivatives and Hedging, including bifurcated embedded derivatives, repurchase agreements and reverse repurchase agreements, and securities borrowing and securities lending transactions that are either offset in accordance with Section 210-20-45 or Section 815-10-45 or subject to an enforceable master netting arrangement or similar agreement. An entity is required to apply the amendments for fiscal years beginning on or after January 1, 2014, and interim periods within those annual periods.

The adoption of ASU 2013-01 is currently being assessed but is not expected to have a material impact on the Plan's net assets available for benefits or its changes in net assets available for benefits.

Purchases and Sales of Investments

Purchases and sales of investments are recorded on a trade-date basis.

Plan's Share of Master Trust

Each participating plan's interest in the Master Trust is based on account balances of the participants and their elected investment funds. The Master Trust assets are allocated among the participating plans by assigning to each plan those transactions (primarily contributions, benefit payments and plan-specific expenses) that can be specifically identified and by allocating among all plans, in proportion to the fair value of the assets assigned to each plan, income and expenses resulting from the collective investment of the assets of the Master Trust.

The Plan's reported investment gain from the Master Trust presented in the statement of changes in net assets available for benefits represents its interest in the Master Trust's net investment gain, which consists of the Master Trust's investment income and net appreciation or depreciation in fair value of investments. The Master Trust records dividend income on investments held as of the ex-dividend dates, interest income on the accrual basis and other gains or losses when incurred. The Master Trust's net appreciation in fair value of investments consists of the net realized gains (losses) and the change in the unrealized appreciation (depreciation).

Alcatel-Lucent Savings Plan

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Transfers to/from Other Plans

The Plan presents in the statement of changes in net assets available for benefits the net amount of transfers to/from other plans.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Risks and Uncertainties

Investments held by the Master Trust are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year's presentation.

3. Derivatives

Certain fund managers use derivative financial instruments including forward foreign currency contracts, futures contracts and options. Derivatives involve, to varying degrees, elements of credit and market risk such that potential maximum loss is in excess of the amounts recognized in the financial statements.

In a forward foreign currency contract, one currency is exchanged for another on an agreed-upon date at an agreed-upon exchange rate. Management permits the Master Trust's investment advisors to use forward foreign exchange contracts to manage the currency risk inherent in owning securities denominated in foreign currencies and to enhance investment returns. Risks arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from fluctuations in the value of a foreign currency relative to the

Alcatel-Lucent Savings Plan

Notes to Financial Statements (continued)

3. Derivatives (continued)

U.S. dollar or U.S. Treasury security. Most of the contracts have terms of ninety days or less and are settled in cash on settlement of the contract. The change in fair value of such contracts is recorded by the Master Trust as an unrealized gain or loss. When the contract is closed, the Master Trust records a realized gain or loss equal to the difference between the cost of the contract at the time it was opened and the value at the time it was closed. Both realized and unrealized gains/losses are included in net appreciation (depreciation) in fair value of investments in the investment income of the Master Trust.

The Master Trust held open forward foreign currency exchange contracts receivable and payable primarily in Euro and Japanese yen forward contracts as of December 31, 2013 and in Euro and British Pound forward contracts as of December 31, 2012.

Futures contracts are commitments to purchase or sell securities based on financial indices or at a specified price on a future date. These contracts are used to manage short-term asset allocation and the duration of the fixed income portfolio, to mitigate exposure to foreign exchange rate and interest rate fluctuations as well as to manage the investment mix in the portfolio. Most of the contracts have terms of less than one year. The credit risk of futures contracts is limited because they are standardized contracts traded on organized exchanges and are subject to daily cash settlement of the net change in value of open contracts.

Fluctuations in unrealized gains or losses related to futures contracts are recorded daily until realized on closing. Both realized and unrealized gains or losses are included in net appreciation (depreciation) in fair value of investments in the investment income of the Master Trust. Outstanding futures contracts held by the Master Trust consist of U.S. Treasury Note futures as of December 31, 2013 and U.S. and foreign stock index futures and U.S. Note futures at December 31, 2012. These contracts are classified primarily in other and synthetic guaranteed investment contracts in the net assets of the Master Trust.

Options

Options are contracts entitling the holder to purchase or sell a specified number of shares or units of a particular security at a specified price at any time until the contract's stated expiration date. Premiums paid for options purchased are included as investments and premiums received for options written/sold are included as liabilities. When securities are acquired or delivered upon exercise of an option, the acquisition cost or sale proceeds are adjusted by the amount of the premium. When an option is closed, the difference between the premium and the cost to close the position is realized as a gain or loss. When an option expires, the premium is realized as a gain

Alcatel-Lucent Savings Plan

Notes to Financial Statements (continued)

3. Derivatives (continued)

for options written or as a loss for options purchased. Both realized and unrealized gain/loss are included in net appreciation/(depreciation) in fair value of investments in the investment income of the Master Trust. The risks include price movements in the underlying securities, the possibility that options market may be illiquid, or the inability of the counterparties to fulfill their obligations under the contracts. The fair value of option contracts is classified in other in the net assets of the Master Trust.

The following table presents the fair values of derivative instruments included in the net assets of the Master Trust:

	December 31, 2013		December 31, 2012	
	Assets	Liabilities	Assets	Liabilities
Forward foreign currency contracts	\$ 34,299,773	\$ 34,158,778	\$ 5,237,766	\$ 5,346,775
Futures contracts	677,443	459,835	409,322	399,361
Options	—	—	42,438	—

The following table sets forth by major risk type the Master Trust's gains/(losses) related to the trading activities of derivatives for the year ended December 31, 2013 which are included in net appreciation/(depreciation) in fair value of investments in the investment income of the Master Trust:

Derivative Contracts	Net Appreciation (Depreciation) in Fair Value of Investments
Foreign currency risk contracts ¹	\$ (407,042)
Equity and fixed income price risk contracts ²	(3,068,371)
Interest rate risk contracts ³	1,572,644
Total derivative contracts	<u>\$ (1,902,769)</u>

¹ Includes futures contracts and forward foreign exchange contracts

² Includes index futures and option contracts on fixed income securities

³ Includes futures contracts and option contracts on fixed income securities

Alcatel-Lucent Savings Plan

Notes to Financial Statements (continued)

3. Derivatives (continued)

The following table presents the gross notional amounts of outstanding derivatives (recorded at fair value) and the number of derivative contracts outstanding as of December 31, 2013:

	<u>Assets</u>	<u>Liabilities</u>
Derivative Contracts – Notional amounts		
Futures contracts	\$107,266,438	\$ 50,640,672
Derivative Contracts – Number of contracts		
Forward foreign currency contracts	3	6
Futures contracts	587	416

The following table presents the gross notional amounts of outstanding derivatives (recorded at fair value) and the number of derivative contracts outstanding as of December 31, 2012:

	<u>Assets</u>	<u>Liabilities</u>
Derivative Contracts – Notional amounts		
Futures contracts	\$ 36,311,625	\$ 15,856,548
Options	4,243,750	–
Derivative Contracts – Number of contracts		
Forward foreign currency contracts	1	5
Futures contracts	289	158
Options	1	–

4. Tax Status

The Plan received a determination letter from the IRS dated June 18, 2014, stating that the Plan is qualified under Section 401(a) of the Code and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to be operated in conformity with the Code to maintain its qualification. The Plan Administrator believes that the Plan is being operated in compliance with the applicable requirements of the Code and therefore that the Plan remains qualified and that its related trust remains tax-exempt.

Alcatel-Lucent Savings Plan

Notes to Financial Statements (continued)

4. Tax Status (continued)

Accounting principles generally accepted in the United States require the Plan Administrator to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2013, there are no uncertain tax positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes the Plan is no longer subject to income tax examinations for years prior to 2010.

5. Termination Priorities

Although it has not expressed any intent to do so, the Company reserves the right under the Plan to amend or terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, the Plan provides that the net assets are to be distributed to participants in amounts equal to their respective interests in such assets.

6. Plan Expenses

Plan participants pay investment manager and trustee fees and may share certain other administrative costs of the Plan with the Company. Investment manager and trustee fees are generally reflected in the calculation of each fund's net asset value per unit.

7. Master Trust Investments

The Lucent Technologies Inc. Long Term Savings and Security Plan and the Plan each had an interest in the assets of the Master Trust in 2013 and 2012, respectively. The Plan's total interest in the Master Trust as of December 31, 2013 and 2012 was approximately 94%.

Alcatel-Lucent Savings Plan

Notes to Financial Statements (continued)

7. Master Trust Investments (continued)

The following table presents the fair value of the net assets held in the Master Trust as of December 31, 2013 and 2012:

	2013	2012
	<i>(In Thousands)</i>	
Investments		
Cash and cash equivalents	\$ 103,993	\$ 120,602
Government securities	669,059	606,361
Corporate bonds	849,148	234,024
Common stock and other equities	2,487,637	2,220,806
Common/collective trusts	2,460,053	2,058,065
Registered investment companies (mutual funds)	270,424	267,576
Synthetic guaranteed investment contracts	—	1,345,632
Cash collateral fund	683,048	672,327
Other	47,312	8,286
Total investments	7,570,674	7,533,679
Receivable for investments sold	79,136	86,333
Forward foreign currency contracts	34,300	5,238
Interest, dividends and other receivables	11,959	8,178
Total assets	7,696,069	7,633,428
Collateral held for loaned securities	682,992	672,188
Payable for investments purchased	130,181	134,061
Forward foreign currency contracts	34,159	5,347
Other liabilities	8,071	6,210
Total liabilities	855,403	817,806
	6,840,666	6,815,622
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	—	(39,142)
Net assets	\$ 6,840,666	\$ 6,776,480

Alcatel-Lucent Savings Plan

Notes to Financial Statements (continued)

7. Master Trust Investments (continued)

The following table presents the investment income for the Master Trust for the year ended December 31, 2013:

	<i>(In Thousands)</i>
Net appreciation in fair value of investments	
Common stock and other equities	\$ 676,838
Common/collective trusts	426,703
Registered investment companies (mutual funds)	32,786
Cash collateral fund	(83)
Other	5,742
	<u>1,141,986</u>
Investment income	
Interest	32,222
Dividends	60,069
Net investment income	<u>\$ 1,234,277</u>

The Master Trust participates in securities lending programs with BNYMellon Bank, N.A., an affiliate of the Trustee.

The securities lending agreement requires that the Master Trust receive cash, letters of credit or U.S. Treasury securities as collateral for securities on loan, equaling 102% of the fair value of domestic securities and 105% of the total fair value of non-U.S. securities on loan. As of December 31, 2013 and 2012, the fair value of the securities on loan was \$694.6 million and \$1,090.5 million, respectively, which were comprised primarily of U.S. Treasury and other governmental securities and equity securities. As of December 31, 2013 and 2012, the value of the associated collateral received was \$711 million and \$1,115.6 million, respectively, of which \$683 million and \$672.2 million, respectively, was received in cash and subsequently invested in a cash collateral fund. This fund invests primarily in repurchase agreements, asset-backed securities and corporate bonds. The remaining collateral at December 31, 2013 and 2012 of \$28 million and \$443.4 million, respectively, was received in the form of letters of credit and U.S. Treasuries, which the Master Trust cannot sell or repledge and accordingly are not reflected in the Master Trust's net assets. The investments purchased with the cash collateral are included in the cash collateral fund in the net assets of the Master Trust and amounted to \$683 million and \$672.3 million at December 31, 2013 and 2012, respectively.

The Master Trust bears the risk of loss with respect to the investment of the collateral. BNY Mellon has agreed to indemnify the Master Trust in the case of default of any borrower.

Alcatel-Lucent Savings Plan

Notes to Financial Statements (continued)

7. Master Trust Investments (continued)

The following table presents individual investments that represent 5% or more of the fair value of the net assets held by the Master Trust as of December 31, 2013 and 2012:

	2013	2012
	<i>(In Thousands)</i>	
Russell 3000 Index Fund	\$ 1,547,789	\$ 1,374,082
JPMCB Liquidity Fund	613,175	534,766
Cash collateral fund	683,048	672,327

Synthetic Guaranteed Investment Contracts

Effective April 1, 2013, the Master Trust terminated its investments in synthetic guaranteed investment contracts ("synthetic GICs"). These investment contracts are presented at fair value in the table of the investments held in the Master Trust and in the Statements of Net Assets Available for Benefits. However, since these contracts are fully benefit-responsive, an adjustment is reflected in the Statements of Net Assets Available for Benefits to present these investments at contract value. Contract value is the relevant measurement attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The contract values of the fully benefit-responsive investment contracts represents contributions plus earnings, less participant withdrawals and administrative expenses. There are currently no reserves against contract values for credit risk of the contract issuers or otherwise.

The fair value of synthetic GICs equals the total of the fair value of the underlying assets plus the fair value of the wrapper contract. The assets underlying the synthetic GICs were primarily comprised of U.S. government securities and corporate debt instruments.

The average yield of the synthetic GICs based on actual earnings was approximately 1.56% at December 31, 2012. The average yield of the GICs based on interest rate credited to participants was approximately 1.68% at December 31, 2012.

Alcatel-Lucent Savings Plan

Notes to Financial Statements (continued)

7. Master Trust Investments (continued)

Fair Value Measurements

GAAP establishes a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

- Level 1 — inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 — inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, quoted market prices for identical or similar assets or liabilities in markets that are not active, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 — inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodologies used for instruments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy.

Government Securities and Corporate bonds

A limited number of these investments are valued at the closing price reported on the major market on which the individual securities are traded. Where quoted prices are available in an active market, the investments are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available for the specific security, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. Therefore these investments are classified within Level 2 of the valuation hierarchy.

Common Stocks and Other Equities

Common stocks and other equities listed on a national stock exchange or a listed market such as the NASDAQ National Market System are valued at the closing price and are classified within Level 1 of the valuation hierarchy.

Alcatel-Lucent Savings Plan

Notes to Financial Statements (continued)

7. Master Trust Investments (continued)

Common/Collective Trusts

These investments are public investment vehicles valued using the Net Asset Value (“NAV”) provided by the administrator of the fund. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. The NAV is an input other than a quoted price that is observable. Therefore, these investments are classified within Level 2 of the valuation hierarchy. There are currently no redemption restrictions on the common/collective trusts.

Registered Investment Companies (Mutual Funds)

These investments are public investment vehicles valued using the NAV provided by the administrator of the fund. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. The NAV is a quoted price in an active market and classified within Level 1 of the valuation hierarchy.

Synthetic Guaranteed Investment Contracts

The fair value of the synthetic guaranteed investment contracts is based on the underlying investments. The underlying investments are primarily fixed income securities and are classified within Level 1 and 2 of the valuation hierarchy. The related wrapper contracts are classified within Level 3 of the valuation hierarchy.

Cash Collateral Fund

The cash collateral fund invests cash received as collateral for securities that are loaned through the Master Trust’s securities lending program with BNY Mellon. The NAV of the fund is based on the value of its underlying assets, minus its liabilities, and then divided by the number of shares outstanding. The NAV is an input other than a quoted price that is observable, and therefore this investment is classified within Level 2 of the valuation hierarchy.

Alcatel-Lucent Savings Plan

Notes to Financial Statements (continued)

7. Master Trust Investments (continued)

The following tables set forth by level within the fair value hierarchy the Master Trust investment assets and liabilities at fair value, as of December 31, 2013 and 2012. As required by GAAP, assets are classified in their entirety based upon the lowest level of input that is significant to the fair value measurement.

Investment Assets and Liabilities at Fair Value as of December 31, 2013

(In Thousands)

	Level 1	Level 2	Total
Cash and cash equivalents	\$ 103,945	\$ 48	\$ 103,993
Government securities	353,320	315,739	669,059
Corporate bonds	3,718	845,430	849,148
Domestic equity:			
Financial services	298,667	—	298,667
Energy	188,789	—	188,789
Healthcare	135,576	—	135,576
Technology	198,378	—	198,378
Other	951,302	—	951,302
International equity	714,925	—	714,925
Common/collective trusts			
Russell 3000 Index Fund		1,547,789	1,547,789
JPMCB Liquidity Fund	—	613,176	613,176
FMTC Broad Market Pool	—	160,103	160,103
T. Rowe Price Emerging Markets Equity Fund	—	60,108	60,108
Wellington Balanced Real Asset Fund	—	5,629	5,629
Wellington Customized Real Asset Fund	—	73,248	73,248
Registered investment companies (mutual funds)	270,424	—	270,424
Cash collateral fund	—	683,048	683,048
Other	319	46,993	47,312
Total investments at fair value	3,219,363	4,351,311	7,570,674
Receivable for investments sold	79,136	—	79,136
Forward foreign currency contracts	—	34,300	34,300
Total investment assets at fair value	3,298,499	4,385,611	7,684,110
Payable for investments purchased	130,181	—	130,181
Forward foreign currency contracts	—	34,159	34,159
Total investment liabilities at fair value	130,181	34,159	164,340
	\$ 3,168,318	\$ 4,351,452	\$ 7,519,770

Alcatel-Lucent Savings Plan

Notes to Financial Statements (continued)

7. Master Trust Investments (continued)

Investment Assets and Liabilities at Fair Value as of December 31, 2012

(In Thousands)

	Level 1	Level 2	Level 3	Total
Cash	\$ 120,602	\$ —	\$ —	\$ 120,602
Government securities	361,899	244,462	—	606,361
Corporate bonds	3,639	230,385	—	234,024
Domestic equity				
Financial services	226,419	—	—	226,419
Energy	200,387	—	—	200,387
Healthcare	131,972	—	—	131,972
Technology	214,261	—	—	214,261
Other	781,103	—	—	781,103
International equity	666,664	—	—	666,664
Common/collective trusts				
Russell 3000 Index Fund	—	1,374,082	—	1,374,082
JPMCB Liquidity Fund	—	534,629	—	534,629
FMTC Broad Market Pool	—	149,354	—	149,354
Registered investment companies (mutual funds)	267,576	—	—	267,576
Synthetic guaranteed investment contracts				
Corporate bonds	—	267,293	—	267,293
Government securities	—	633,487	—	633,487
Mortgage-backed securities	—	273,891	—	273,891
Other	—	169,138	1,823	170,961
Cash collateral fund	—	672,327	—	672,327
Other	52	8,234	—	8,286
Total investments at fair value	2,974,574	4,557,282	1,823	7,533,679
Receivable for investments sold	86,333	—	—	86,333
Forward foreign currency contracts	—	5,238	—	5,238
Total investment assets at fair value	3,060,907	4,562,520	1,823	7,625,250
Payable for investments purchased	134,061	—	—	134,061
Forward foreign currency contracts	—	5,347	—	5,347
Total investment liabilities at fair value	134,061	5,347	—	139,408
	\$ 2,926,846	\$ 4,557,173	\$ 1,823	\$ 7,485,842

Alcatel-Lucent Savings Plan

Notes to Financial Statements (continued)

7. Master Trust Investments (continued)

The table below sets forth a summary of changes in the fair value of the Level 3 investment assets held by the Master Trust for the year ended December 31, 2013.

	Synthetic guaranteed investment contracts
Balance, beginning of year	\$ 1,823
Realized gains/(losses)	—
Unrealized gains/(losses) relating to instruments still held at the reporting date	—
Purchases, settlements and dispositions	(1,823)
Transfers in and/or out of Level 3	—
Balance, end of year	<u>\$ —</u>

8. Related-Party Transactions

Two investment funds offered under the Plan, the Core Bond Fund, a common/collective trust fund in which participants may not directly invest but which is a component of the Retirement Date funds, and the Short-term Bond Fund, a separate account fund in which participants may directly invest, are managed by affiliates of the Plan's recordkeeper, Fidelity Investments Institutional Operations Company, Inc. ("Fidelity"). The offering of these investment funds meets the requirements of one or more prohibited transaction exemptions under ERISA.

9. Reconciliation of Financial Statements to 5500

Synthetic GICs are reported at fair value for Form 5500 purposes. For financial statement purposes, such items are recorded at fair value and adjusted to contract value. Such differing treatments result in a reconciling item between the net assets available for benefits recorded on the Form 5500 and the net assets available for benefits included in the accompanying financial statements. As a result, the net assets available for benefits reported in the accompanying financial statements differed from such amounts reported in the Form 5500 by (\$33,697,000) as of December 31, 2012.

Alcatel-Lucent Savings Plan

Notes to Financial Statements (continued)

10. Subsequent Events

Management has evaluated subsequent events through August 15, 2014, the date the financial statements were available to be issued. There were no material subsequent events that occurred between December 31, 2013 through August 15, 2014 that required disclosure in the financial statements, except as follows:

Effective January 1, 2014, Aon Hewitt replaced Fidelity as the Plan's recordkeeper.

Supplemental Schedule

EIN: 22-3408857
PLAN: 003

Alcatel-Lucent Savings Plan

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

December 31, 2013

Name of Issuer and Title of Issue	Description	Cost	Fair Value
Notes receivable from participants*	Interest rates range from 3.25%-10.5%	\$ —	\$ 42,920,000

* Party-in-interest

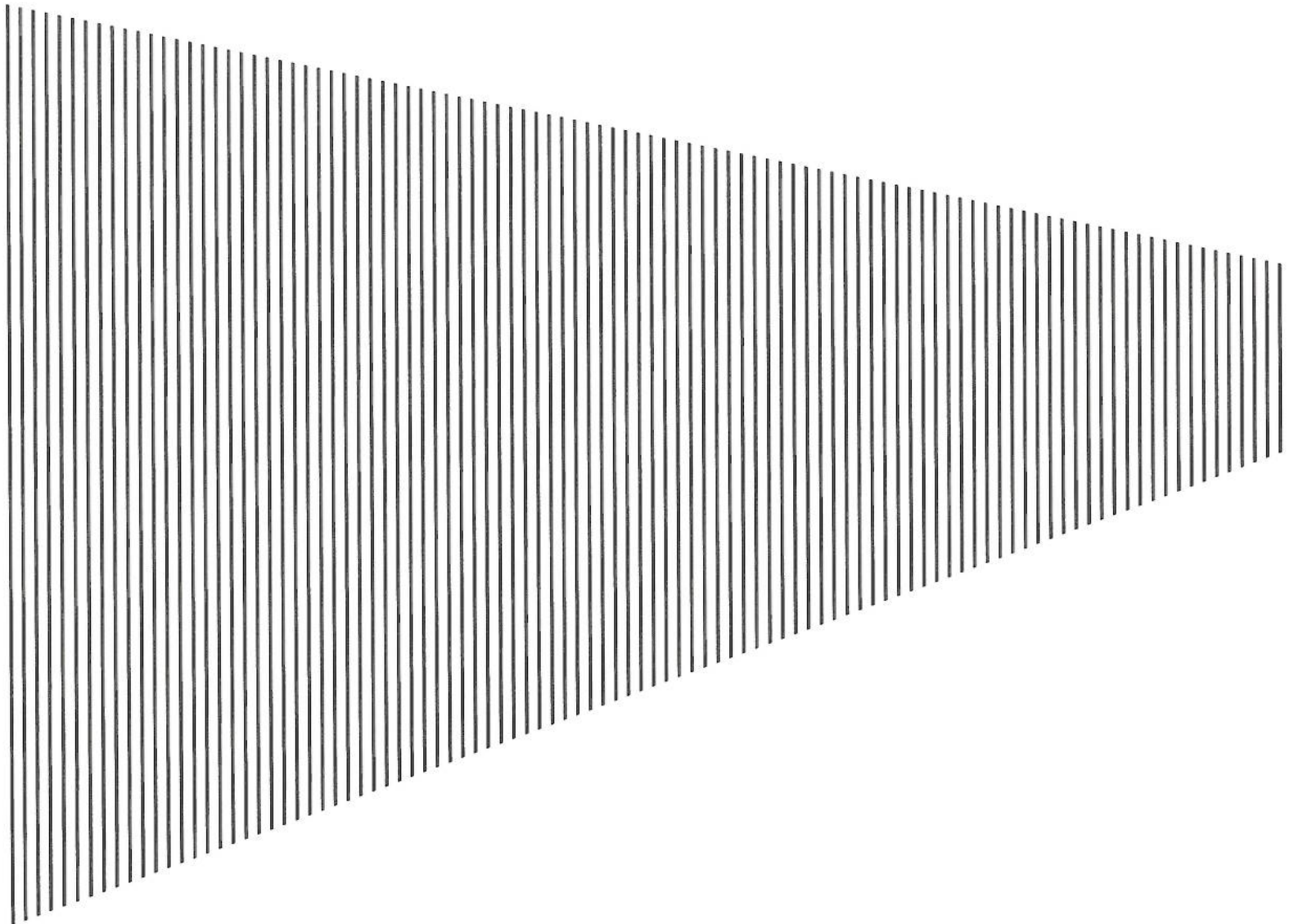
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Plan Name	Alcatel-Lucent Savings Plan
Plan Sponsor EIN	22-3408857
ERISA Plan No.	003
Plan Year End	12/31/2013

The required attachment noted below is included within the Accountant's Opinion attachment to the Form 5500 Schedule H, Part III, Line 3, which consists of the entire Audit report issued by the Plan's Independent Qualified Public Accountant (IQPA).

Form/Schedule	Line Item	Description
5500 Schedule H	Line 4i	Schedule of Assets (Held at End of Year)